



BUSINESS PLAN
2011-2016
March 2011

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Foreword

This Business Plan explains how we run Cantref and the values that are important to us. The Plan includes an Executive Summary, which gives an overview of our business and a review of the last year, followed by a description of the values that we aspire to have embedded in all aspects of our work. The Plan then describes the work that we do and the areas in which we want to make a positive difference to the lives of our customers and their communities. We have also highlighted areas of New Activities that we will be exploring over the next few years. The Appendices to the plan include examples of Outcomes that were achieved last year, along with identified areas for improvement.

As a Registered Social Landlord there are certain rules and regulations that we have to adhere to. We therefore include financial information on our accounts and note regulation, registration and main legislation that we are subject to. The Plan is set out to follow the Welsh Assembly Government's guidelines for Self Assessment, and will be monitored by the Board by reference to evidence which shows where Cantref has made a positive difference.

We want to make sure that our residents, and other service users are at the heart of our work, and are involved in shaping and managing those services. We are a high performing landlord, that builds strong communities in places where people want to live. To do this we ensure that our staff are well trained and motivated, are creative and are performing their duties in an environmentally friendly way. In what will definitely be challenging years ahead we will work with partners to get better value for money, seek out best practice examples from others and offer our expertise, knowledge and services where these will help other organisations to flourish.

Brian Collins
Chairman
Cymdeithas Tai Cantref

Executive Summary

We have been through significant change over the past three years and are pleased that, despite the worsening economic climate, we have emerged as a stronger organisation that is better equipped to deal with the challenges ahead.

We ended the financial year 2009/10 in a strong financial position, with funding in place to fulfil our commitment to our residents to invest in their homes, and to enable us to build new ones. In 2010/11 we achieved the budgeted surplus of £120k, and invested £3 million in development. Our continued work with Strategic Partners in Local Authorities and the Welsh Assembly Government (WAG) is important to help us identify and satisfy the demand for affordable housing. With diminishing Social Housing Grant we know this will be difficult, but we are committed to finding other innovative ways of developing in the future. In 2010/11 we developed 16 new homes and have a further 48 under construction.

We are sensitive to the potential increasing financial difficulties faced by our residents, particularly in the light of announcements regarding the proposed Housing Benefit changes and their implications. We therefore continue to work with our residents on the implementation of our Financial Inclusion Strategy to increase the awareness of the changes, as well as making improvements to the insulation and heating of residents' homes with innovative 'Green' technologies to reduce running costs. To this end, in 2010/11 we built 11 new properties in Cardigan which complied with the Code level 3 for sustainable homes. This year we are building 25 homes in Llechryd which are being built as a pilot scheme to Code level 4, for the WAG. We will monitor these properties to ensure our residents benefit from the design efficiencies and provide the Assembly with feedback.

We are committed to continue to provide our Care and Repair service for the older residents across Ceredigion, despite the fact that it faces cuts in grant funding and pressures on services. The service includes assisting the residents with grant aided repairs and adaptations, offering the Homesafety scheme and advice on falls prevention, and managing the WAG Rapid Response Adaptations Programme, that is aimed at speeding up discharges from, and preventing admissions to, hospital.

There are many more challenges and changes facing us as we move forwards but, as mentioned previously, given the strong position we feel

we are in, we are confident that we will continue to improve and provide an excellent service to our residents. One of the changes which affects all Housing Associations across Wales, is the development of a new regulatory framework by the WAG. This process will ensure we focus on the performance of Cantref – our financial management, our governance and our service delivery – listening to what our residents think and act accordingly.

We continue to invest in our staff and develop their skills both through training and a rigorous performance appraisal system. Our voluntary Board of Management also assess their own performance through regular appraisal and monitoring of how they are doing. The commitment and skills from both staff and the Board, ensure we are prepared for the challenges ahead. We have reviewed our strategic priorities for the coming year and are aware that we must take into account the external influences as mentioned above. We will be innovative and find different ways of doing things in the areas which matter most to our residents. We face the year in a positive manner, ready to respond proactively and in collaboration, to improve the quality of our work and services.

Values

Values are about **how** we run our business. They affect, and are reflected in how we do all of our activities. They are the universal aims that all staff strive to achieve in their daily work.

Our values are:

➤ **Placing the people who use our services at the heart of our work**

For us this means:-

- Know our current and future customers and tailor our services for their needs
- Make it easy for people to understand what to expect from our services
- Value and respond to the views of our customers
- Encourage and support customer involvement in shaping our services

➤ **Encouraging the use of the Welsh Language**

➤ **Govern our business effectively**

For us this means:-

- Have strong, accountable leadership
- Cantref is aligned to deliver our purpose and vision
- Our Board of Management provides the direction for us and exercises proper control over our activities
- Monitoring performance through Self Assessment
- We are open about what we do and publish balanced information about our activities
- Our culture supports the delivery of our purposes and outcomes, innovates, seeks new ideas and evaluates learning from others
- Ensure staff are well trained and motivated to provide excellent service
- Be the employer of choice

➤ **Have a financially sound and viable business**

For us this means:-

- Ensure that Cantref is financially strong and complies with all loan covenants
- Have a robust financial management framework

- Identify, appraise and financially evaluate risks and prudently manage those risks
- Achieve value for money in delivery and procurement to make the best use of our own and public resources

➤ **Be sustainable in all we do**

For us this means

- Ensure our activities are environmentally sustainable and embedded throughout the organisation
- Aim to use locally sourced goods and services wherever possible
- Ensure new activities are designed to be adequately resourced at the start, in order that they are efficient and fulfil their intended purpose

Why we are here and the Outcomes we aim to achieve

1. To sustain and strengthen the communities where we work

- a.** We deliver a Development Programme and upgrade our housing to the Welsh Housing Quality Standard, to provide and sustain affordable housing that is safe. We do this in a way that contributes towards the financial health of our Communities through the use of local labour, and towards reducing the environmental impact of our homes.
- b.** We help older people to remain living at home in safety, in comfort and with independence. We offer advice, guidance and practical assistance in adapting and repairing the home, with funding sources and applications, and welfare benefits.
- c.** Through the provision of a Support Service, we support vulnerable individuals to access and sustain a tenancy.
- d.** We help to build and regenerate communities that provide a good quality of life for our residents and their neighbours.

2. To build and renovate homes to an excellent quality

- a.** We build excellent quality housing that is sustainable and promotes new 'Green' technologies in the building industry
- b.** Complete our WHQS fulfilment plan
- c.** Continue to invest in our housing stock to maintain the excellent quality our residents expect

3. To let homes in a fair, transparent and effective way

- a.** We ensure that access to our homes is fair and open, and we work with others to ensure routes into our housing are well publicised, easy to understand and simple to use.
- b.** We let homes we are proud of.
- c.** We manage our homes to ensure they are in demand

4. To manage our homes effectively

- a.** We make clear the rights and duties of the tenant and landlord from the start of a tenancy, and act to uphold these rights and duties in a fair and responsible manner.
- b.** We know and are responsive to people's individual housing support needs and help them to sustain their tenancies.
- c.** We set, apportion and collect rents and service charges in a clear, fair and accountable manner.
- d.** We recover any arrears fairly and effectively.

- e. We provide a responsive repairs service which meets the requirements of our residents

5. To repair and maintain homes in an efficient, timely and cost effective way

- a. We maintain our properties in a way that protects their asset value
- b. We have an efficient and effective responsive repairs service
- c. We gain feedback from our customers to ensure the service we have provided is satisfactory (or something that says we involve our customers on this one)

New Activities

In Year 1

- a. Explore new development models such as those with Intermediate rents, Student Accommodation etc, & expanding development activities into Pembs & Carms Explore project and funding opportunities within the Aberystwyth SRA (Strategic Regeneration Area).
- b. Develop Local repairs 'frameworks' with contractors and Launch a 'Contractor Zone' on our website.
- c. Implement 'Green' initiatives including retrofitting energy efficiency programmes and rolling out smart metering to all properties (ahead of government vision of all properties having these by 2020)
- d. Work towards reaching the Green Dragon Environmental Standard – to achieve Level 3 by 2013
- e. Broaden Supported Housing work through tendering to Local Authorities – eg developing 'Back to Work' programme with WCVA & Serco
- f. Explore expanding Cantref's Direct Labour Organisation to deal with Repairs and Maintenance
- g. We will be involving the children of residents in the design of the estates to help improve play facilities
- h. Investigate the introduction of a Private Lettings Agency department into Cantref

In Years 2-5

- i. Expanding Tenancy Support service to support residents through Welfare Reforms/Financial Inclusion
- j. Joint working with other Housing Associations where efficiencies can be made
- k. Further expansion of community-based initiatives eg. time-banking, Community Chest
- l. A new area of service provided by C&R will be a chargeable Handyperson service. This resulted from collaboration with Family HA, to provide a service on the Maes Mwldan Extra Care Scheme, but is now been rolled out as a new cross tenure service across Ceredigion.
- m. 2011 will see new challenges for C&R, and work is ongoing to strengthen Strategic level Partnerships with Ceredigion CC and Hywel Dda, building on recent success of the new C&R Strategic Business Planning Committee.
- n. Tendering to be an approved supplier of 'Back to Work' initiatives under European Gateway Funding

- o. Sell Support services to other Housing Associations who are not accredited support providers
- p. We will be encouraging our contractors to take on residents to give them work experience

Financial and Governance Information

The effects of the proposed cuts to Local Authority Grants, Welfare Reform and the reduction in the availability of Social Housing Grant for Development, will all directly impact on our work, and are identified on our Risk Register. We are proactively looking at ways of mitigating against the adverse effects of these proposals, and believe that our Financial viability will not be threatened by them.

We closely monitor our performance in key areas and look to address any adverse trends immediately. We are members of 'Housemark', which enables us to compare our performance in key areas with similar organisations to ourselves.

During the past 12 months we have worked hard to raise our profile in the community and attract new Board Members. This has resulted in 7 new Members including representatives from our residents. We have been fortunate enough to recruit members with the necessary strengths to ensure we have the skills required for good governance.

Board Members now also carry out appraisals as well as assess effectiveness of the governance structure that is in place. Regular development and information sessions are held to continue to strengthen skills and knowledge.

The following pages show the projected Income and expenditure and the balance sheet for the next five years. The figures reflect the activities within the Business Plan.

Five Year Income & Expenditure projections

| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 |
|-------------------------------|------------------|------------------|------------------|------------------|------------------|
| | £'s | £'s | £'s | £'s | £'s |
| Income From Lettings | | | | | |
| Rent Receivable | 4,764,416 | 5,047,348 | 5,254,769 | 5,412,412 | 5,574,784 |
| Service Charge Income | 607,575 | 625,802 | 656,343 | 672,751 | 689,570 |
| Gross Rental Income | 5,371,991 | 5,673,151 | 5,911,112 | 6,085,163 | 6,264,354 |
| Less Voids | -71,466 | -73,610 | -75,818 | -78,093 | -80,436 |
| Net Rental Income | 5,300,525 | 5,599,541 | 5,835,294 | 6,007,070 | 6,183,919 |
| Other Revenue Grants | 1,140,800 | 1,140,800 | 1,140,800 | 1,140,800 | 1,140,800 |
| Other Income | 196,102 | 196,102 | 196,102 | 196,102 | 196,102 |
| Total Turnover | 6,637,427 | 6,936,443 | 7,172,196 | 7,343,972 | 7,520,821 |
| Management Costs | 2,192,601 | 2,236,453 | 2,281,182 | 2,326,806 | 2,373,342 |
| Service Costs | 438,104 | 446,866 | 455,803 | 464,919 | 474,218 |
| Care And Support Costs | 1,129,305 | 1,151,891 | 1,174,929 | 1,198,428 | 1,222,396 |
| Routine Maintenance | 604,800 | 616,896 | 629,234 | 641,819 | 654,655 |
| Planned Maintenance | 780,000 | 795,600 | 811,512 | 827,742 | 844,297 |
| Major Repairs | 379,891 | 387,489 | 395,239 | 403,143 | 411,206 |
| Depreciation | 132,000 | 134,640 | 137,333 | 140,079 | 142,881 |
| Total Operating Costs | 5,656,701 | 5,769,835 | 5,885,232 | 6,002,936 | 6,122,995 |
| Operating Surplus | 980,726 | 1,166,608 | 1,286,964 | 1,341,036 | 1,397,826 |
| Interest Payable | -870,000 | -953,000 | -1,106,437 | -1,116,438 | -1,120,281 |
| Surplus Before Tax | 110,726 | 213,608 | 180,527 | 224,598 | 277,545 |
| Interest Cover % | 113% | 122% | 116% | 120% | 125% |

| | 2011 | 2012 | 2013 | 2014 | 2015 |
|--|------------------|------------------|------------------|------------------|------------------|
| | £ 's | £ 's | £ 's | £ 's | £ 's |
| Housing Assets | | | | | |
| Housing Properties at cost | 71,963,875 | 77,764,426 | 77,764,426 | 77,764,426 | 77,764,426 |
| Social Housing Grants | -50,737,013 | -54,101,333 | -54,101,333 | -54,101,333 | -54,101,333 |
| Other Capital Grants | -496,034 | -496,034 | -496,034 | -496,034 | -496,034 |
| Depreciation | -132,000 | -264,000 | -396,000 | -528,000 | -660,000 |
| Net Book Value Of Housing Properties | 20,598,828 | 22,903,059 | 22,771,059 | 22,639,059 | 22,507,059 |
| Other Fixed Assets Tangible | 608,734 | 602,585 | 596,437 | 590,288 | 584,139 |
| Other Fixed Assets Investments | 19,039 | 19,039 | 19,039 | 19,039 | 19,039 |
| Homebuy Loan | 8,938,949 | 8,938,949 | 8,938,949 | 8,938,949 | 8,938,949 |
| Homebuy Grant | -8,830,771 | -8,830,771 | -8,830,771 | -8,830,771 | -8,830,771 |
| Total Fixed Assets | 21,334,779 | 23,632,861 | 23,494,713 | 23,356,564 | 23,218,415 |
| Current Assets | 1,559,031 | 1,531,329 | 1,453,619 | 1,398,536 | 1,324,772 |
| Current Liabilities | 1,114,063 | 1,114,063 | 1,114,063 | 1,114,063 | 1,114,063 |
| Net Current Assets | 444,968 | 417,266 | 339,556 | 284,473 | 210,709 |
| Total Assets Less Current Liabilities | 21,779,747 | 24,050,127 | 23,834,269 | 23,641,037 | 23,429,124 |
| Outstanding Loan Balance | 15,145,047 | 17,196,827 | 16,795,449 | 16,372,625 | 15,878,174 |
| Loan Fees | -81,021 | -76,028 | -71,035 | -66,041 | -61,048 |
| Deferred Premium | | | | | |
| Other Long Term Creditors | 1,273,880 | 1,273,880 | 1,273,880 | 1,273,880 | 1,273,880 |
| Net Assets | 5,441,841 | 5,655,448 | 5,835,975 | 6,060,573 | 6,338,118 |
| Restricted Reserves | | | | | |
| Designated Reserves | 1,980,072 | 1,980,072 | 1,980,072 | 1,980,072 | 1,980,072 |
| Total Stockholders Equity | 50 | 50 | 50 | 50 | 50 |
| Retained Surplus | 3,461,769 | 3,675,377 | 3,855,904 | 4,080,501 | 4,358,046 |
| | 5,441,841 | 5,655,449 | 5,835,976 | 6,060,573 | 6,338,118 |
| Gearing Ratio | 33% | 35% | 34% | 34% | 33% |

APPENDIX 1

Assessment of performance for last year

1. To sustain and strengthen the communities where we work

- a. We have developed a robust Tenant Participation Strategy and Action Plan.
- b. In 2010, Care and Repair helped over 1500 older people, with 86% of feedback questionnaires stating that they “felt safer and more secure at home” following the service, and 34% stating that the service had enabled them “to remain living at their home” who would otherwise have had to move. Of the 296 Home Safety Assessments, **88%** of clients said that *the service had reduced the likelihood of them falling at home*. Care and Repair carried out over 700 Rapid Response Adaptation Programme works orders, by their own craftsmen, with over 90% completed within 48 hours, to help Hywel Dda ensure safe hospital discharge of patients.
- c. The Supported Housing Team has recorded many successes during the last year including:- Amy- who won an award for ‘Outstanding Academic Progress’ from the Chartered Institute of Housing, Daniel- who has just been accepted into Aberystwyth University, and an Ex Offender who has won ‘Achiever of the Year’ (see attached examples of case studies).
- d. The Housing Teams have successfully dealt with Anti Social Behaviour (ASB) cases by liaising closely with the families involved and working with partner organisations. In one such case, the result of this was dramatic improvement in the behaviour of a tenant’s children and they began to take an interest in other activities such as sports / mechanics. The tenant feels her parenting skills have improved and that she is more aware of the impact her and her children’s ASB has on others. Her tenancy has since been conducted in a satisfactory manner and the Children have not caused nuisance for 12 months. There have been no further complaints from the neighbours.
- e. The Sheltered Housing service involves residents in its Day to day running, including the involvement in the recruitment process for a new warden. Residents have asked for Greenhouses in order that they can grow flowers and produce.

2. To build and renovate homes to an excellent quality

- a. We have adapted our design, following feedback from new residents.
- b. Residents are now involved in the design of kitchen layouts to ensure that the cupboard space is distributed appropriately for their needs.

- c. A User Manual for the properties has now been developed for new residents for when they move in, which explains how the new technology works. This is reviewed with residents after 6 months.
- d. Satellite TV points are now included for all new houses
- e. Lessons learned from developments are incorporated into new schemes
- f. Residents are involved in detailed surveys of their homes prior to WHQS works being undertaken.
- g. Residents' views on the appearance of the interior of properties have been taken into account during WHQS works, such as the installation of electric fires where real fires have been taken out.
- h. The Property Services Team has added staff with Mechanical & Electrical expertise and a focus for obtaining grants whenever possible.
- i. An emphasis has been placed on the training of Contractors to ensure that they are familiar with the new technologies that are being employed.
- j. We have a long term Development Strategy
- k. We have built 25 new homes in Parc Meiros
- l. We are developing the Llechryd Scheme- Code 4 Pilot
- m. We have developed properties at Pen Top
- n. We are on track to complete our WHQS fulfilment plan
- o. We have an Asset Management strategy that deals with the more challenging properties

3. To let homes in a fair, transparent and effective way

- a. We work with all our local authority partners to help with the supply of housing
- b. We are actively marketing our 'Harder to Let' properties with leaflets and other materials
- c. We participate in Choice Based Lettings
- d. We widely publicise the work that we do to raise Cantref's profile in Wales
- e. We ensure that access to our homes is fair and open, and we work with others to ensure routes into our housing are well publicised, easy to understand and simple to use.
- f. We let homes we are proud of.
- g. We manage our homes to ensure they are in demand

Areas for improvement and what we will be doing to address these

Finding solutions for funding works for older people is increasingly difficult. C&R Caseworkers provide advice and guidance on funding, and have adapted their service and seek new solutions such as Charitable or Benevolent funding. This requires research and perseverance, but they have had remarkable successes, with over £16000 raised for repairs and adaptations in 2010. Another aspect of continuous adaptation of service is the Technical officer who is increasingly providing advice and guidance for older people on what repairs need prioritising, in the light of clients needing to self fund the works, and arranging agreed private funding works for over 100 older people to a value of over £80000.

C&R has an effective operational partnership with both Ceredigion County Council and Hywel Dda Health Board, and has recently agreed and implemented new working and referral arrangements with them to ensure effective use of resources and avoidance of duplication of service.

More training is needed to help staff deal with customers who have mental illness issues. It would also be beneficial for our Supported Housing Team to receive more detailed information on clients when they are handed over to us from Social Services or other Council departments. Handover procedures have been improved and Partner Organisations are now complying with some of our requests, but progress is still needed in this area.

More detailed information is needed on the future housing aspirations of potential residents in our area (including those not on the waiting list). Information from Rural Housing Enablers regarding Housing Need needs to be more relevant and of better quality.

There is the need for a general understanding of new technologies and the benefits of them to residents. Before allocating residents, we need to better educate them with the new technologies. We do not feel that 'Code Level 3' was properly evaluated before moving on to Code Level 4 and need to ensure a full benefits appraisal is carried out on these pilots 1-5 years later.

There is an identified need for tenant 'Resource Rooms' throughout the area in which we operate, to allow them access to our facilities, including the Internet.